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DIRECTORATE OF
INTELLIGENCE

Intelligence Memorandum

*Recent Developments in International
Labor Organizations*

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
31 January 1973

INTELLIGENCE REPORT

Recent Developments in International Labor Organizations

The outlook for international cooperation in the advancement of the free trade union movement has steadily dimmed during the past decade. The leading instrument of cooperation since World War II—the International Confederation of Free Trade Unions—has for some time been troubled by ineffective leadership, doctrinal disputes, and rivalries among its national affiliates. Since the AFL-CIO's withdrawal in 1969, the confederation is no longer representative of labor even in the industrialized free world, and because of political and financial constraints, its operations in the less-developed countries have progressively been curtailed.

For a number of reasons, however, the international labor scene is once again set for potentially important developments. Some of the more progressive and internationally minded trade unions seem increasingly conscious that even the bread-and-butter interests of their membership no longer stop at national borders and that their interests are at least as broad as the multi-national activities of their employers and governments. In Western Europe in particular, the enlargement of the European Communities has brought to the forefront the need for a community-wide representation of labor's interests. Moreover, the developing spirit of detente has reopened the issue of relations between the Communist and non-Communist unions, which the Cold War had effectively decided in the negative.

Nevertheless, the development of a meaningful dialogue among world trade union leaders—let alone the organization of effective transnational labor action and collective bargaining—will be slow in coming. Until it does, an important element will be missing from the organization and regulation of the increasing foreign investment, trade, and competition that characterize the international economy.

Note: This report was prepared by the Office of Current Intelligence and coordinated within CIA.

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The Setting

Three organizations have dominated the international labor scene since World War II: the World Federation of Trade Unions (WFTU), the International Confederation of Free Trade Unions (ICFTU), and the International Federation of Christian Trade Unions—now called the World Confederation of Labor (WCL).

The WFTU is today essentially Communist-run. Most of its membership comes from the USSR and the Soviet bloc, but the two Communist-dominated unions of France and Italy are important and powerful affiliates. In Africa and the Middle East, the WFTU has worked through leftist nationalist groupings in its attempts to gain control of the labor movements. In Latin America, it has not been able to compete effectively with the well-established ICFTU and WCL, and in Asia, the Sino-Soviet split has interfered with its efforts to strengthen its position. The Chinese have been inactive in the WFTU since the mid-1960s.

The ICFTU was formed in 1949 by affiliates that found intolerable increasing Communist domination of the WFTU. It has until recently remained rigidly anti-Communist and at one time had affiliates on all the continents, with a near monopoly in North America and extensive membership in West Europe, Latin America, Asia, and Africa. At its peak, the ICFTU had functioning regional organizations in Europe, Latin America, Asia, and Africa. However, the American AFL-CIO withdrew in 1969, the African regional organization is now defunct, and the European grouping is being reorganized. Nevertheless, the ICFTU still claims 115 affiliates with approximately 41 million members.

The international which was renamed the WCL in 1958 in a move to de-emphasize its confessional basis was founded in 1920 primarily as a European organization. Since World War II, it has extended its activities to Latin America and, to a lesser extent, Africa. Although the WCL, with approximately 3.5 million members, is considerably smaller than the ICFTU, it is a strong competitor, especially in Latin America. In Europe, its large affiliates in France, Belgium, and the Netherlands have worked with the ICFTU in lobbying for common causes within the EC.

Missionaries

Despite their ideological differences, all three international labor organizations have historically considered it one of their prime purposes to

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improve the conditions of labor in the less developed areas of the world. To this end, they have engaged in "missionary" activities of various sorts. On occasion a kind of competitive intramuralism has resulted; at other times the competition has been akin to the Cold War. Moreover, the ICFTU and WCL, unlike the WFTU, have set up elaborate organizational structures in their efforts to propagate the message of "free" trade unionism.

The ICFTU, because of its numerous affiliates and the mantle of aggressive anti-Communism that it assumed at the height of the Cold War, has on balance the best missionary record. It has financed training and education programs, organized international and regional conferences, and attempted to bring international pressure on governments limiting national union activity. The organization has also promoted causes such as the equality of women in the work force, adequate social security, and even measures to combat terrorism and hijacking.

For the most part, the ICFTU has relied upon strong national unions in its Asian, Latin American, and European regionals to advance its programs. Its African regional organization failed because African unionism is either tightly controlled by national governments or is pan-African in nature. Aggravating this problem has been the inability of the ICFTU to curb the competition among its national affiliates for influence in the area. Although the ICFTU has recently resolved to resume its African operations, the basic problems remain.

Funding for international projects has been a continuing problem for the ICFTU. From the beginning, some of its affiliates, such as the American AFL-CIO and the British Trade Union Congress, funneled money directly to areas and unions of special national concern. The withdrawal of the AFL-CIO in 1969 added to the ICFTU's financial difficulties. The AFL-CIO attributed its departure to the failure of the international union to prevent increased contacts between certain of its member unions and the Communists in Europe, but also important in its decision was its quarrel with the ICFTU's handling of the United Auto Workers' bid for affiliation. As a result of the AFL-CIO's withdrawal, the European affiliates gained control over most of the remaining funding available for the ICFTU's projects and the international has increasingly focused on European problems. The Latin American regional organ of the ICFTU, however, has become largely an American operation because the AFL-CIO—although no longer a member—still provides a very substantial portion of its funding.

In Latin America the ICFTU has been embroiled in bitter disputes with the WCL. The WCL has persistently objected to the American funding of its

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ICFTU regional rival and has opposed any coordinated action in the area. WCL affiliates even gave up their accreditation by the Organization of American States rather than cooperate. The acrimonious competition in Latin America has tended to impede rapprochement between ICFTU and WCL unions in Europe where the objectives of the two groups are much closer.

As the effectiveness of the international unions as missionaries of free trade unionism has declined, the International Trade Secretariats have become more important. The Secretariats—such as the International Metalworkers Federation and the International Transportworkers Federation—are organizations representing unions throughout the non-Communist world in the same or related trade or industry. Many of the constituent unions of these federations are also members of national confederations affiliated with the ICFTU and WCL, but trade secretariats are virtually autonomous from the two internationals.

The growing power of the International Trade Secretariats has caused concern in the ICFTU. By their collection and exchange of information on world-wide developments in a particular industry, their research and assistance in the social welfare area, and their experiments in organizing international strike and boycott support, the secretariats may promote the growth of trade unionism much more efficiently than have the international labor organizations. Indeed, they are a logical accompaniment to the developing international economy that is characterized by free or freer trade, competition, burgeoning transnational investment, and the multinational corporation.

The European Ferment

For a number of reasons the future course of organized international cooperation among the free trade unions will be significantly affected by what transpires in Europe. The AFL-CIO's withdrawal from the ICFTU in 1969 came just as detente policies and prospects began to rise in Europe. Contacts among West European labor unions regardless of their ideological orientation subsequently increased; the major West German union, an ICFTU affiliate, began to call its policy of seeking labor contacts with the Communist countries a type of labor Ostpolitik. The American withdrawal not only removed any real pressure to limit these activities, but also was seen by some as a catalyst to greater European labor integration. In particular the Communist-dominated unions of France and Italy professed to see a new age of labor cooperation since the ICFTU had been freed from the American

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'anchor" of rigid anti-Communism, and in Italy, the on-and-off movement toward unification of the free and Communist unions became a pertinent question again.

In response to these developments, the WCL has vigorously lobbied for a more ecumenical approach to European and international labor cooperation. The ICFTU, although more discreet, has also moderated its anti-Communist position. It has, for example done little more than wink at the more frequent contacts between its affiliates—especially those in Germany and the Scandinavian countries—and the Communist unions. In consequence, while the ICFTU's Council constantly repeats the hope that its American affiliate will return to the fold, the chances of its doing so are remote. At the same time that detente has perhaps reduced the obstacles to greater intra-European trade union cooperation, it has had the effect of widening the trans-Atlantic rift.

An even more important factor in the increasing European focus of international labor is the EC. As the Communities have gained more influence over the economic policies of the member states, the European affiliates of the international labor unions have become more and more aware that decisions taken in Brussels affect their own goals. Even the Communist-dominated affiliates of the WFTU have begun slowly to tone down their opposition to the EC and to question the realism of continued non-participation in the Communities' activities.

Although the ICFTU and WCL affiliates in Europe have generally supported European integration, they have found themselves largely excluded from the EC's decision-making process. The unions have been given representation on the consultative Economic and Social Committee, but this committee has little authority compared to the EC Commission or Council. The trade unions have also been unable to organize an effective lobby in Brussels to match those of business and other special interests. They have relied instead on pressing their respective national governments to espouse labor's programs in the Communities' institutions.

The free trade unions have, however, sought to influence the development of the EC in a number of lesser ways. They have strongly supported measures to ease the free movement of labor throughout the community and are now pressing for uniform social welfare legislation to cover local and transient labor. They have also sought to protect labor's interests in the proposed EC company law. This legislation, now stalemated, would set guidelines for the development of companies which, while operating on a

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"European scale" and able to take advantage of EC-wide markets, do not threaten to develop into competition-limiting monopolies. The unions may attempt to ensure that this law provide for labor representation on management boards of "European" incorporated industries. The unions of Germany and Scandinavia have sought, and in some cases have obtained, similar legislation in their countries.

The EC summit meeting in October recognized many of the demands labor has put forward to give capitalism "a human face." The summit directed action in the area of social affairs to seek methods of easing job displacement caused by mergers of European industries, by the growth of agri-business, and by increased imports. It is likely that the EC will consider increased job re-training grants and in some cases direct pension payments to be appropriate remedies for such problems.

At the same time that the unions affiliated with the ICFTU and WCL have become more insistent that the EC pay more attention to labor's interests, the Communist-dominated unions have found it politic to reconsider their earlier refusal to participate in the Communities in any way. The French and Italian unions have now obtained representation on the EC's Economic and Social Committee along with the free unions. They have also established a joint lobby in Brussels specifically to press their views on the EC. Both the Italian Communist union and the Italian Communist Party have moved much faster and further toward such accommodations with the EC than have their French counterparts, but the latter are being dragged along. Acceptance of the Communities as a fact of life will facilitate the common action with the free trade unions which the Communist unions in both countries are endeavoring to promote and which may lead to the kind of loose federation arrangement that finally emerged last year in Italy.

The advent of the multinational corporation, although a world-wide phenomenon, has been the subject of concerted labor attention especially in Europe. The ICFTU, with support from the WCL, has tried to make the multinational corporation a rallying cause for international labor. Through its affiliates the ICFTU has pressed not only the national governments, but also multilateral bodies such as the International Labor Organization, the Organization for Economic and Cooperative Development, and the EC to institute controls over the operations of these international corporations. Fearing that international business will dilute the gains made by national affiliates through collective bargaining, and unable thus far to develop transnational collective bargaining as a counterforce, the ICFTU hopes that

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in response to labor action concerned international organizations and national governments will act to limit the potential power of these giant corporations to shift sources of production from country to country.

The most effective effort to organize labor to deal with businesses that operate on a global scale has come from the International Trade Secretariats and their affiliates. Of these, the International Metalworkers Federation, which started organizing conferences on the automotive industry in the 1950s, has been the most active. Committees have been set up to exchange information on Ford, General Motors, Volkswagen, Nissan-Toyota, and other major automotive producers. In a strike at British Ford plants in 1971, the member unions of the federation were able to prevent a shift of production to other Ford factories on the European continent. Last year the International Transport Workers blacklisted shipping diverted because of the British dock strike, thus preventing cargoes from being unloaded at other ports.

The work of the International Trade Secretariats holds considerable promise for injecting new life into the international labor movement. The Secretariats have, however, aroused suspicion within the ICFTU. The international organization fears that their success will further weaken its claim to represent international labor. This concern is no doubt deepened by the continued effective Americar participation—particularly the American auto workers' union—in the International Trade Secretariats.

Europe in a New Direction

In specific response to the enlargement of the EC, the European ICFTU affiliates have been seeking independently to coordinate more fully their activities. For over a year, they have been debating the establishment of a new labor organization that would include unions from all or most of the EC members, plus Finland, Norway, Ireland, Sweden, Austria, and Switzerland. The founding congress was to have been held last November, but because of differences over the scope and membership of the organization, it has been delayed until 8-9 February.

Some of these differences have been caused by the British Trade Union Congress's insistence that the new European grouping be both independent of the ICFTU and broadly based. The British union, which would be the largest affiliate, has shared the Labor Party's opposition to the EC and has therefore opposed a close identification between the new union and the Communities. Many of the other European unions, however, see the proposed

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organization as a natural outgrowth of the Communities. Moreover, those prospective ICFTU affiliates that are smaller than their WCL or WFTU national rivals fear that if non-ICFTU unions were given membership, they would be left with a minority in their national delegations to the new organization.

Committees preparing the governing statutes of the new regional organization have reportedly reached compromises on most of these problems in the last few weeks. Some tie to the ICFTU would apparently be mentioned in the preamble of the constitution of the European organization, and the ICFTU would be represented on its governing board. While unions from non-EC member states would be admitted to discussions on matters concerning the EC, only unions from member states would be allowed to initiate action.

Differences over the eligibility question nevertheless persist. The British Trade Union Congress and the Scandinavian unions are reportedly reluctant to foreclose the possibility of future membership for WCL affiliates and, at some "distant" date, even for the Communist-dominated unions in Western and Eastern Europe.

The ICFTU is scarcely overjoyed by the prospective emergence of the new European organization. At a recent ICFTU world congress, the proposed organization was criticized by both developed and less developed country affiliates. These affiliates fear that the ICFTU's traditional anti-Communism would be sacrificed at the altar of European labor unity, ending all possibility of the AFL-CIO's return to the ICFTU. They also see the new organization as another blow to the international character of the ICFTU—a development that might increase the rivalry between the developed and less developed country affiliates, cause a further loss of financial resources, and result in a three-way schism between the ICFTU structure, the new European grouping, and the International Trade Secretariats.

The new organization will also affect the fortunes of the WCL. The former Christian organization has struggled for years for a measure of equality with the ICFTU, even going so far last year as to form an alliance of convenience with the WFTU to contest the ICFTU's dominance of representation in the International Labor Organization. When this coalition was totally routed in the elections, the wisdom of the WCL leadership in forming it was sharply questioned. Continued exclusion from the new European movement will aggravate such tensions within the WCL. Some of its affiliates would clearly like to join the new European grouping. Others may prefer

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closer collaboration nationally with WFTU affiliates, still others may believe the WFTU's proposed All European Trade Union Congress is the best way to regain lost prestige and to increase contacts with the free unions.

Outlook

On balance, the performance of the ICFTU and WCL in the recent past has not been very promising. Their original purpose was to promote trade unionism throughout the world and to coordinate and guide the goals of the various national affiliates. But, at a time of pragmatism and detente in Europe, both the ICFTU and the WCL have become identified with their European bases. Because of their lack of resources and influence, their competition with each other, and the volatile local political situations, they have made little headway in the less developed areas. In the developed world, their record is not much better. They still have a long way to go toward harmonizing the policies of the national affiliates and creating a framework for transnational collective bargaining.

The future of the ICFTU and the WCL depends on the outcome of the new attempts to achieve both world-wide collaboration among the industrial unions within the International Trade Secretariats and European labor unity. These two goals may, in fact, conflict. European unity may be too narrow a base, given the global scope of many of labor's multinational targets. While the proposed European trade union federation would originally include only ICFTU members from the EC and European neutral states, it is likely that at some future date at least some affiliates of the WCL will be invited to join. Most European unions of the two internationals are ideologically compatible. The binding force in rapprochement could be the need for a common front in the endeavor to gain more influence in the EC and in the managing boards of the multinational corporations.

The work of the industrial internationals seems likely to become of growing significance. Freed from ideological disagreements and from most inter-union competition, these organizations have already shown the potential for effective union action. The real test will come when they try to move beyond the staging of limited sympathy boycotts and the pooling of information and attempt transnational collective bargaining.

The future of the free international trade unions will also be affected by the role of the American unions and by the progress toward rapprochement between the West European free unions and the Communist-dominated unions in both East and West. It is doubtful that the AFL-CIO will soon

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return to the ICFTU, but some parallel action between the two organizations will persist. The American unions will probably continue to fund the ICFTU Latin American regional organization, and the funds they offer elsewhere in the world could also help compensate for probable declines in ICFTU aid. The American role in the industrial internationals is almost certain to increase.

The international activity of unions has an importance to the US beyond its impact on the immediate interests of the working man. The movement to impose greater control over multinational corporations, most of which are based in the US, could affect the flow of investment capital in and out of the US. Union views may have direct influence on the forthcoming negotiations to cut tariffs and remove non-tariff barriers. If and when the unions in Europe seek greater aid from governments or the EC in job retraining and direct support for troubled industries, the US can expect stronger foreign competition. In short, labor has a critical role as a stabilizing or destabilizing factor in the international economy.

Trade-union relations with the Communists also still have broad political significance in the era of detente. The Communist-dominated unions in France and Italy have become gradually more accommodating toward their "free counterparts." While a type of merger is foreseeable only in certain areas—and in the case of the French unions in the distant future—the Italians have already formed a loose federation with their free trade union counterparts. In each country, a more unified trade union movement would have an important bearing on the stability and orientation of the government and the economy. (Even in the case of Britain, Communist influence in the TUC added to the difficulties the Heath government faced in negotiating accession to the Common Market.) Moreover, the policies of the new grouping of European ICFTU affiliates will be influenced by whatever cooperation its affiliates develop with the Communist unions, even though the grouping continues to deny such unions anything approaching membership for some time.

Western contacts with the unions of Eastern Europe and the Soviet Union will probably continue to be made primarily by national centers in response to each one's definition of foreign policy objectives and to keep up the appearance of international labor brotherhood. Nevertheless, Soviet policy seems to be putting new stress on united front approaches, and especially in the context of the Conference on Security and Cooperation in Europe, Individual Western unions are showing increasing receptivity to the idea of an All-European Trade Union Conference next fall in conjunction

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with a European Regional Labor Conference under ILO auspices. The American unions are no longer well-placed to restrain such trends. The WFTU, however, is unlikely to attract new affiliates beyond those it already has in Western Europe.

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